

## Message Text

LIMITED OFFICIAL USE

PAGE 01 SAN JO 03433 272107Z

ACTION ARA-14

INFO OCT-01 ISO-00 L-03 XMB-02 EB-08 TRSE-00 COME-00

CIAE-00 INR-07 NSAE-00 /035 W

-----101652 272111Z /70

P 272021Z JUL 77

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 8220

LIMITED OFFICIAL USE SAN JOSE 3433

PASS EXPORT-IMPORT BANK

E.O. 11652: N/A

TAGS: EFIN, BBAK, CS

SUBJECT: GRUPO PROIN CHARGES LATIN AMERICAN BANK CREDITORS WITH  
FRAUD

REF: SAN JOSE 2044, STATE 172343

SUMMARY. THE ACTION OF THE LATIN AMERICAN BANK'S (LAB) COMMITTEE OF INTERVENORS IS PLACING A \$10 MILLION NOTE OF THE GRUPO PROIN IN THE COURTS MAY HAVE BACK-FIRED, AS GRUPO PROIN HAS BROUGHT CHARGES OF FRAUD AGAINST LAB CREDITORS. THE MANAGER OF THE LAB WAS HELD IN JAIL WITHOUT BOND FOR TEN DAYS. A U.S. BANKER ON THE COMMITTEE OF INTERVENORS APPARENTLY DEPARTED COSTA RICA ILLEGALLY. CENTRAL BANK EXECUTIVE PRESIDENT ASSUMES ROLE AS MEDIATOR IN DISPUTE. POSSIBLE ADVERSE EFFECT OF DISPUTE ON FOREIGN COMMERCIAL LOANS TO COSTA RICA CITED. RODRIGUEZ BROTHERS PROPOSE MUTUAL WITHDRAWAL OF LEGAL ACTIONS AS SOLUTION. INITIAL PRESS COVERAGE OF THESE EVENTS WAS GENERALLY UNFAVORABLE TO THE U.S. CREDITOR BANKS AND FAVORABLE TO GRUPO PROIN. END SUMMARY.

1. THE ACTION OF THE COMMITTEE OF INTERVENORS OF THE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SAN JO 03433 272107Z

LATIN AMERICAN BANK IN PLACING A \$10 MILLION NOTE IN THE LOCAL COURTS APPARENTLY BACK-FIRED, AT LEAST INITIALLY, WHEN ALLAN AND ARNOLDO RODRIGUEZ OF THE GRUPO PROIN BROUGHT FRAUD CHARGES JULY 13 AGAINST THE THREE U.S. BANKER MEMBERS OF THE CREDITOR COMMITTEE AND LAB VICE-PRESIDENT/MANAGER ROGER LECLERCQ. ARNOLDO RODRIGUEZ WAS QUOTED IN THE LOCAL PRESS JULY 19

AS STATING THAT ERIC MOORE OF THE HARTFORD BANK AND OTHERS WERE ATTEMPTING TO DEFRAUD THE GRUPO PROIN OF \$10 MILLION IN PUTTING A \$10 MILLION NOTE IN THE COURTS FOR COLLECTION. ACCORDING TO RODRIGUEZ, THE \$10 MILLION NOTE WAS TO HAVE BEEN ANNULLED WHEN CERTAIN ASSETS OF THE GRUPO PROIN WERE MORTGAGED TO THE U.S. CREDITOR BANKS, THAT THIS WAS DONE, AND THEREFORE THE CREDITORS WERE ATTEMPTING TO COLLECT TWICE ON THE SAME NOTE.

2. THE GRUPO PROIN CHARGE OF FRAUD COINCIDED WITH THE ARRIVAL IN COSTA RICA JULY 13 OF MR. MOORE TO DISCUSS WITH THE RODRIGUEZ BROTHERS AN ARRANGEMENT FOR SATISFYING THE DEBTS OF GRUPO PROIN TO THE U.S. BANKS THROUGH LAB. ACCORDING TO MORE THE RODRIGUEZ BROTHERS PRESENTED MOORED WITH A LIST OF NINE DEMANDS, ALL OF WHICH WERE TERMED BY MR. MOORE AS COMPLETELY UNACCEPTABLE. MR. MOORE WAS APPARENTLY SERVED WITH A JUDICIAL ORDER FORBIDDING HIM TO LEAVE THE COUNTRY, BUT ON THE ADVICE OF HIS LOCAL LAWYER, LEFT THE COUNTRY ON JULY 14 BY AIR TO PANAMA. INITIAL PRESS ACCOUNTS PLAYED HEAVILY ON THE QUESTION OF HOW MOORE WAS ABLE TO LEAVE THE COUNTRY, SINCE THE JUDGE'S ORDER HAD ALSO BEEN SENT TO IMMIGRATION OFFICIALS. A JULY 21 STORY IN EXCELSIOR IMPLIED THAT COLLUSION INVOLVING A LOCAL LAWYER, IMMIGRATION OFFICIALS AT THE AIRPORT, AND AIRLINE OFFICIALS HAD ALLOWED MOORE TO LEAVE THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SAN JO 03433 272107Z

COUNTRY.

3. FRIDAY, JULY 15, THE MANAGER OF THE LAB, ROGER LECLERCQ, AN ENGLISH CITIZEN, WAS ORDERED JAILED BY THE JUDGE HEARING THE ALLEGED FRAUD CHARGE. EFFORTS BY THE BRITISH EMBASSY TO SECURE HIS RELEASE FINALLY WERE SUCCESSFUL JULY 26 WHEN HE WAS RELEASED ON 500,000 COLONES BAIL.

4. FRIDAY, JULY 22, EXECUTIVE PRESIDENT BERNAL JIMENEZ, IN A PRESS CONFERENCE, STATED HE HAD INTERVENED WITH THE GRUPO PROIN AND THE COMMITTEE OF INTERVENORS BECAUSE OF THE PREJUDICIAL EFFECT THE DISPUTE COULD HAVE ON THE LOCAL PRIVATE SECTOR INsofar AS FOREIGN CREDITS WERE CONCERNED. IN RESPONSE TO JIMENEZ' EFFORTS ARNOLDO RODRIGUEZ WAS QUOTED IN THE PRESS AS BEING AMENABLE TO WITHDRAWING THE FRAUD CHARGE IF THE CREDITOR BANKS WOULD WITHDRAW THE \$10 MILLION NOTE.

5. ALTHOUGH INITIAL PRESS COVERAGE OF THE GRUPO PROIN/ LAB CONFLICT FOCUSED ALMOST EXCLUSIVELY ON THE CIRCUMSTANCES OF MOORE'S DEPARTURE FROM THE COUNTRY AND THE

RODRIGUEZ' FRAUD CHARGES, PRESS COVERAGE JULY 22-26  
TENDEED TO BE MORE BALANCED, PARTICULARLY IN THE ENGLISH  
PRESS WHERE ERIC MOORE AND ARNOLDO RODRIGUEZ WERE  
BOTH QUOTED EXTENSIVELY (THE TICO TIMES STORY WHICH  
CARRIED BOTH SIDES WAS TRANSLATED AND CARRIED IN  
LA NACION SUNDAY, JULY 24).

6. IN BUSINESS CIRCLES THERE IS CONCERN ABOUT TWO  
ASPECTS OF THE GRUPO PROIN VS. LAB CASES. THE FIRST  
IS THE POSSIBLE ADVERSE EFFECT THAT GRUPO PRION'S  
ACTION COULD HAVE ON FUTURE FOREIGN LOANS TO COSTA RICA  
(BALDLY STATED, IF YOU TRY TO COLLECT A DEBT IN THE  
LOCAL COURTS YOU MAY WIND UP IN JAIL). THE SECOND IS  
THE POSSIBLE PRECEDENT IN JAILING A MANAGER FOR EXECUT-  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 SAN JO 03433 272107Z

ING DULY AUTHORIZED ACTIONS OF THE BOARD OF DIRECTORS.  
WEISSMAN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTES, BANKS, FRAUDS, COURT PROCEEDINGS, BANKERS, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 27-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977SANJO03433  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770269-0473  
**Format:** TEL  
**From:** SAN JOSE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770713/aaaaalhj.tel  
**Line Count:** 138  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 0b0cf762-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 SAN JOSE 2044, 77 STATE 172343  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 12-Jan-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1733521  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GRUPO PROIN CHARGES LATIN AMERICAN BANK CREDITORS WITH FRAUD  
**TAGS:** EFIN, BBAK, CS, US, GRUPO PROIN, LATN AMERICAN BANK, (LECLERCQ, ROGER)  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/0b0cf762-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009